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**Supreme Court of the
United States**

OCTOBER TERM, 1946.

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No. _____

MAY HOSIERY MILLS, PETITIONER AND
APPELLANT BELOW,

VS.

HOLD STITCH FABRIC MACHINE COMPANY,
RESPONDENT AND APPELLEE BELOW.

**BRIEF OF RESPONDENT IN OPPOSITION TO
PETITION FOR WRIT OF CERTIORARI.**

CECIL SIMS,
1000 American Trust Building,
Nashville 3, Tennessee,
Solicitor for Respondent and
Appellee Below.

JAMES O. BASS,
BASS, BERRY & SIMS,
1000 American Trust Building,
Nashville 3, Tennessee,
Of Counsel.



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May It Please the Court:

I.

STATEMENT OF THE CASE.

The petition for certiorari raises but one question: Under the pleadings in this case can it be said that there is presented a case arising under the patent-right laws of the United States which is justiciable only in the Federal courts? The United States District Court for the Middle

District of Tennessee, the state Chancery Court, and the Supreme Court of Tennessee have all answered this question in the negative, and, it is submitted, correctly so.

The original bill alleges that the complainant (respondent here) and the defendant are both Tennessee corporations and that complainant is the owner of certain patents granted to it as assignee of the inventor Clarence W. Minton. It is alleged that Minton was formerly an employee of the defendant and that defendant has notified complainant that defendant claims that the patents are the exclusive property of the defendant on the ground that the inventions were originated by Minton during and pursuant to his former employment with defendant. It is then alleged that the validity of the defendant's claim to the patents is denied because the inventions were made away from defendant's premises and without compensation from defendant.

A contract between Minton and the defendant is filed as an exhibit to the bill, under which the defendant contracted to purchase some of the machines covered by the patents and it is alleged that the defendant thereby recognized Minton's ownership and negatived its own claims to the inventions.

The bill avers that after a long absence from the defendant's employ and after he had made the inventions in question Minton was again employed by the defendant under a contract providing that future inventions made by him would be assigned to the defendant. It is alleged that the defendant is now claiming that by virtue of this contract the patents in question belong to the defendant. Minton was not furnished a copy of this contract and the defendant is called upon to file a copy of same so that it can be properly construed by the court.

Complainant alleges that the claims asserted by the defendant constitute clouds upon complainant's right to

ownership and use of the inventions covered by the patents and that "under these circumstances it is entitled under the statutes of Tennessee to file this bill against the defendant for the purpose of having the court construe and declare the rights and interests of the parties in and to said patents so that such rights may be fully and finally settled."

The bill prays for process; that defendant be required in its answer to assert all claims which it may have to the inventions covered by the patents including the filing of all contracts and agreements relating thereto upon which any such claims may be predicated; that the court determine the rights of the parties as to ownership of the inventions covered by the patents, and that defendant be enjoined from the manufacture, use or sale of the machines covered by the inventions, and for general relief (R. 1-5).

The bill contains no prayer for damages either triple as provided under the patent laws for infringement, or in any amount whatever.

The defendant first filed a petition to remove the cause to the United States District Court and it was so ordered, but thereafter the Federal District Judge remanded the cause to the Chancery Court of Davidson County on complainant's motion alleging that the principal issue involved was the ownership of the patents and that therefore no jurisdiction existed in the Federal Court. The defendant thereupon filed a demurrer in the Chancery Court attacking the jurisdiction of the Chancellor, which demurrer was overruled and a discretionary appeal was granted to the Supreme Court of Tennessee, which affirmed the Chancellor's action in overruling the demurrer and ordered the case remanded to the Chancery Court to be proceeded with on its merits.

II.

SUMMARY OF THE REASONS RELIED UPON FOR DENIAL OF THE WRIT.

(a) This Court has no jurisdiction to grant certiorari in this case because the decree of the Supreme Court of Tennessee is not a "final judgment or decree." An affirmance of the order of a lower court overruling a demurrer lacks the requisite finality for review.

United States Code Annotated, Title 28, Section 344(b).

Miner's Bank v. United States, 5 How. 213, 12 L. Ed. 121.

Barnard v. Gibson, 7 How. 650, 12 L. Ed. 857.

Reddall v. Bryan et al., 65 U. S. 420, 16 L. Ed. 740.

Kimball v. Evans, 93 U. S. 320, 23 L. Ed. 920.

Meagher v. Minn. Thresher Mfg. Co., 145 U. S. 608, 36 L. Ed. 834.

Werner v. Charleston, 151 U. S. 360, 38 L. Ed. 192.

Missouri & Kansas Interurban Railway Co. v. City of Olathe, 222 U. S. 185, 56 L. Ed. 155.

Review by the Supreme Court of Tennessee was not even a matter of right but rested in the discretion of the trial judge; and the decree of the Supreme Court of Tennessee makes no final disposition but remands the case to the trial court to be there proceeded with on its merits.

Code of Tennessee, 1932, Section 9038.

Opinion and Judgment of the Supreme Court of Tennessee, Record p. 62.

(b) This is not a "case arising under the patent-right laws" so as to be within the exclusive jurisdiction of the Federal Courts. It is a suit to determine title to property, which property happens to be patents. "The

gravamen of the action depends upon general principles of law and equity" and therefore the state courts have jurisdiction.

Opinion of Supreme Court of Tennessee, Record pp. 52-62.

Wilson v. Sandford, 10 How. 99, 13 L. Ed. 344.

Pratt v. Paris Gaslight & Coke Co., 168 U. S. 255, 42 L. Ed. 458.

New Marshall Engine Co. v. Marshall Engine Co., 223 U. S. 473, 56 L. Ed. 513.

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Lowry v. Hert, 290 Fed. 876.

40 Am. Jur., pp. 653-654.

Anno. Cases 1916B, p. 800.

Walker on Patents, Vol. 3, Sec. 413.

(c) The party bringing the suit is "master to decide what law he will rely upon" and the question of jurisdiction must be determined upon the allegations of the original bill and the relief sought therein. This is not an infringement action, there is no prayer for damages, no construction of the Federal patent law is required, nor is any relief sought thereunder. The injunctive relief prayed for in the bill is merely subsidiary to the main issue of property rights.

Opinion of Supreme Court of Tennessee, Record pp. 52-62.

Fair v. Kohler Dye & Specialty Co., 228 U. S. 222, 57 L. Ed. 716.

Odell v. Farnsworth, 250 U. S. 501, 63 L. Ed. 1111.

Luckett v. Delpark, 270 U. S. 496, 70 L. Ed. 703.

Rubens v. Bowers, 136 F. 2d 887.

III.

ARGUMENT.**Decree of Tennessee Supreme Court Not a Final Judgment.**

Under Section II (a), respondent has cited numerous authorities to the effect that the decree of the Supreme Court of Tennessee sustaining the order of a lower court overruling a demurrer and remanding the case to the lower court for a trial on the merits is not a final decree within the provisions of the Federal act conferring jurisdiction on this court to grant writs of certiorari for the purpose of reviewing final judgments or decrees of state tribunals. Most of those authorities are cases in which a demurrer was passed on by the state court. In the case of *Kimball v. Evans, supra*, there was no demurrer but the state courts had declined to grant a petition for removal to the Federal District Court. Thus the question of the finality of the judgment was the same as is presented here. This court declined to grant certiorari because "the judgment of the Supreme Court is not the final judgment in the suit. It disposed of one of the questions involved in the suit, but not of the suit itself."

In the case at bar, there was no appeal as a matter of right even to the Supreme Court of Tennessee, although, in accordance with a Tennessee statute, the trial judge had the power to and did permit a discretionary appeal to the Supreme Court of Tennessee. That court merely affirmed the action of the trial judge in overruling the demurrer and remanded the case to the trial court to be proceeded with on its merits. Upon the authorities cited in Section II (a) of this brief, it is submitted that this court is without jurisdiction to grant certiorari in this case.

This Not Infringement Suit.

The petitioner's position in this case is predicated upon the premise that this is an infringement suit and it is conceded on page 9 of petitioner's brief that if this is not an infringement suit the judgment of the state Supreme Court was correct. It is respondent's contention that this is an ordinary equity suit to remove the cloud on title to property, and the fact that the particular property involved is a patent in no way affects the jurisdiction of state courts. There are no allegations of infringement, no accounting is sought or damages prayed, and the relief sought by the original bill is a declaration of the rights of the respective parties "as to ownership" which in turn partly depends upon a construction of the contracts mentioned in the bill. This is not a case where the complainant in its bill has anticipated a defense and the cases involving this question have no application. It is true that the bill contains a prayer for an injunction but it is clear that this relief is prayed for only as an incident to the court's determination of the question of ownership. It is well settled by repeated decisions of this court that jurisdiction is to be determined upon the allegations of the original bill and that where the gravamen of the action is one for the determination of title, the jurisdiction of state courts is not affected. The decisions of this and other courts have been thoroughly reviewed in the opinion of the Supreme Court of Tennessee found in the record at pages 52-62.

CONCLUSION.

Apart from respondent's contention that this Court is without jurisdiction to grant certiorari it is submitted that the complainant's bill, and the relief sought thereunder, does not require any construction or any application of the Federal patent laws but on the contrary presents an ordinary equity suit to remove a cloud upon complainant's title to property and is within the jurisdiction of the state courts.

It is therefore respectfully submitted that this case is not a proper one for review by certiorari in this Court and that the petition for writ of certiorari should be denied.

Respectfully submitted,

CECIL SIMS,

1000 American Trust Building,
Nashville 3, Tennessee,

*Solicitor for Respondent and
Appellee Below.*

JAMES O. BASS,
BASS, BERRY & SIMS,

1000 American Trust Building,
Nashville 3, Tennessee,

Of Counsel.